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TAGS: [OPDC](#) [PREL](#) [EAID](#) [PHUM](#) [EG](#)
SUBJECT: RESPONSE FROM SECRETARY CLINTON TO FOREIGN
MINISTER AHMED ABLOU GHEIT ON AN ENDOWMENT

SENSITIVE BUT UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

1. Please deliver the following message from Secretary Clinton to Foreign Minister Ahmed Aboul Gheit. There will be no signed original.

2. Begin text:

Dear Mr. Minister:

Thank you for your letter on the U.S. economic assistance program in Egypt. I assure you that we continue to support the idea of an endowment that perpetuates our mutual, cooperative efforts to advance economic and social development in Egypt. My staff is currently working to develop the details of a counterproposal to present to Egypt. We look forward to entering into a formal dialogue on the endowment once we have finalized our proposal and consulted our Congress.

Any fund would at first be relatively modest, run by a non-profit corporation, with limited focus on a few priority themes such as education. Although the eventual U.S. proposal may differ from Egypt's proposal in terms of initial size, institutional structure, and technical details, we have commonalities in other areas. We hope we can work with you to reach agreement on an instrument that reflects both our countries' interests. It continues to be the United States' desire to maintain a positive bilateral relationship with Egypt, in which we address our differences via consultations and negotiations. As I mentioned above, we will need to consult with Congress about the endowment to ensure its success.

I also understand that, despite our joint interests, we have not yet reached agreement on a portfolio of programs for the \$50 million in FY 2009 supplemental funds prioritized for Sinai. In the August 2009 discussions between USAID and the Minister of International Cooperation, I understand that Egypt expressed a preference to eliminate U.S. involvement in these development programs. A letter will be sent this week from the USAID Director to the Minister of International Cooperation with options for the use of these funds that we believe meet the requirements of our governments.

Let me reiterate that development in Sinai is very closely tied to our mutual goal of ending smuggling and trafficking between Gaza and the Sinai. The United States has a clear interest in projects that directly increase employment opportunities in agriculture, fisheries, technical education, and micro- and small-business development. Although I agree that it is helpful for the Government of Egypt to take a prominent and visible ownership role in these economic development activities, I also strongly encourage you to lean heavily on USAID's technical expertise to implement these programs. I believe USAID's robust involvement,

direction, and support to these programs will be essential to their success.

This issue has the attention of many in the United States Congress, and we will need to demonstrate that our active partnership with Egypt in northern Sinai is leading to the timely implementation of programs designed to increase economic opportunities for the residents of this region.

I urge the Egyptian government to consider seriously USAID's expertise as an asset in our mutual efforts to improve the northern Sinai economy. I believe our partnership on this issue will go a long way to cement the positive progress we have made in our bilateral relationship and further engender good will with the U.S. Congress.

Sincerely yours,

Hillary Rodham Clinton

END TEXT.
CLINTON